incora™

We simplify
the complex.
incora.com

# *Incora Top Holdco Climate-Related Financial Risk Report*

**Version No 1.**

December 2025

# *Contents*

# 1. Executive Summary

This Climate-Related Financial Risk Report ("report") has been prepared in consideration of the requirements of California Senate Bill (SB) 261. In developing this document, Incora considered the structure and content of the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations (June 2017), consistent with the expectations of SB 261. The report also considered the minimum disclosure requirements outlined by the California Air Resources Board (CARB) in its Climate-Related Financial Risk Disclosures: Checklist updated on November 17, 2025.

Incora has addressed most of the TCFD recommendations in this report; however, several elements remain outside the scope of this year's filing. Specifically, Incora has not currently conducted formal climate scenario analysis, completed quantitative financial evaluations of climate-related risks and opportunities, published greenhouse gas (GHG) emissions, or established formal climate-related targets.

Incora plans to revise this report on a recurring annual cycle to reflect new developments and organizational changes. As of December 2025, Incora remains in the early stages of its sustainability reporting journey, focused on establishing baseline data, strengthening oversight structures, and initiating its first cycle of climate-related disclosures. As Incora's processes and capabilities mature, the company is looking to incorporate the elements of the TCFD recommendations that have not yet been addressed into future iterations of this report.

# 2. Governance

## 2.1 Board Oversight

The Board of Directors ("the Board") oversees climate-related risks and opportunities as part of its broader responsibilities for regulatory compliance, legal exposure, and operational resilience. Both the full Board and the Audit Committee reviews climate-relevant information as part of compliance updates to the Board and when significant issues arise, particularly those related to regulatory developments, potential compliance risks, or operational disruptions.

Climate-related matters reach the Board through structured and recurring processes. The Chairman and senior executives receive regular updates, including from Incora's Global Environmental, Health, and Safety (EHS) Director summarizing emerging environmental and regulatory developments, including climate-related requirements should they arise. These updates ensure timely Board awareness of new obligations and risks. These considerations are also incorporated into the Board's regular monthly and quarterly reporting cycles, including committee materials, reflecting the Board's overarching role in monitoring enterprise risk and resilience.

The Board will review and approve environmental and climate-related goals as they are developed, positioning it to provide strategic oversight as climate-related objectives evolve.

## 2.2 Management's Role

Management holds primary responsibility for identifying, assessing, and managing climate-related risks and opportunities at Incora. These responsibilities are shared among the Environmental, Health, and Safety, Legal, and Regulatory Compliance teams, all reporting to senior leadership including the Chief Executive Officer (CEO). The EHS function oversees environmental compliance, monitors emerging climate-related regulations, and manages the company's ISO 14001-certified Environmental Management System (EMS). The Legal and Regulatory Compliance teams support this work by evaluating potential legal exposure, applying materiality thresholds, and coordinating escalation of climate-relevant issues. The EHS team provides senior leadership and the Board with regular updates on emerging environmental and regulatory developments, including climate-related topics.

Climate-related information is further monitored and communicated through formal EHS risk management and business continuity processes, which assign responsibility to management for directing, coordinating, and overseeing responses to identified risks. Under the EHS Incident Management procedure, management ensures that all EHS incidents, including those driven by climate-related factors, are reported, assessed, documented, and communicated across the organization. These procedures define communication protocols, escalation pathways, and required approvals, ensuring that management maintains comprehensive oversight of incident evaluation and corrective actions.

Similarly, the Business Continuity Incident Management process outlines a structured, leadership-driven response when an incident threatens operations. The Emergency Response Management Team and designated Incident Commander assesses the situation and direct the necessary actions. This approach supports coordinated, cross-functional decision-making and ensures proper documentation during climate-related disruptions.

Incora also conducts an annual ISO 14001 EMS management review chaired by the CEO and attended by all vice presidents and executive leaders. This review evaluates climate-related risks and opportunities, updates on environmental performance, and proposed objectives for the upcoming year, ensuring that climate considerations are integrated into strategic and operational planning.

# 3. Strategy

## 3.1 Climate-Related Risks and Opportunities

Through its risk assessment process, Incora has not identified any financially material climate-related risks or opportunities to date, nor has it defined “short”, “medium”, and “long-term” time frames at the time of the analysis. However, several non-material risks and opportunities have been identified and incorporated into operational planning and early-stage climate-related strategy development.

Identified risks include exposure to extreme weather conditions, such as flooding, wildfire, and high-temperature events, which may affect facility operations, employee safety, or trigger business continuity protocols. Additional risks relate to GHG emissions associated with electricity consumption, transportation of goods and waste, and the storage and distribution of products. Incora has also identified transition-related risks associated with evolving climate and environmental regulatory requirements and the need to enhance emissions monitoring across operations.

In addition to risks, Incora has identified climate-related opportunities related to operational efficiency and emissions reduction. These include the installation of solar panels at select facilities and the potential for broader adoption of renewable energy and energy-efficiency initiatives. While these risks and opportunities are not currently considered material, they form the foundation for Incora’s developing understanding of climate-related impacts and represent areas for potential strategic action as governance and data capabilities mature.

## 3.2 Impact on Business, Strategy, and Financial Planning

Climate-related risks and opportunities influence Incora’s business strategy and financial considerations by shaping operational priorities, cost structures, and investment planning. Factors such as extreme weather patterns, energy price volatility, and evolving environmental expectations and regulations inform leadership discussions during ISO 14001 EMS management reviews and internal audit cycles.

Climate-related considerations guide capital and operational decisions across Incora’s global facilities footprint. Energy-efficiency is factored into site planning and facility investments, including LED lighting upgrades, implementation of energy-monitoring technologies, HVAC improvements, and the transition to electric vehicles and battery-powered forklifts. These measures are incorporated into forward-looking facility planning models and capital budgets, with business cases typically evaluating both anticipated financial returns and non-financial benefits, such as reduced environmental impact and alignment with evolving regulatory and customer climate expectations.

Renewable energy opportunities, including potential on-site solar installations, are evaluated through Incora's established business-case development and approval process. Rising energy prices and improvements in solar technology have prompted Incora to evaluate on-site renewable generation as part of its long-term cost and operational strategy. Such projects undergo the same financial review, executive evaluation, and board approval process as other capital investments.

Climate considerations also influence vendor selection under ISO 27001, where supply chain vulnerabilities and exposure to extreme weather are considered in evaluating third-party service providers. Additionally, Incora's product and service offerings include climate-related opportunities such as reusable packaging solutions that support customer sustainability objectives.

## *3.3 Scenario Analysis and Resilience of Strategy*

Incora has not yet conducted formal climate scenario analysis, including assessment of a 2°C or lower pathway. However, several existing processes contribute to understanding the resilience of its strategy under a range of potential climate conditions. The ISO 14001 EMS integrates climate considerations into operational and strategic planning by ensuring that climate-related risks and opportunities are reflected in environmental objectives.

Business continuity planning outlines how operations would be maintained during disruptive conditions such as facility loss, power outages, or supply interruptions that could increase in likelihood under future climate scenarios. Incora's ongoing carbon footprint analysis also highlights areas of the value chain that may be sensitive to transition risks or evolving customer expectations.

The development of a formal scenario-based analysis has been identified as a next step to further strengthen long-term planning and strategic resilience.

# 4. Risk Management

## 4.1 Processes for Identifying Climate-Related Risks

Incora identifies climate-related risks through its EHS risk identification process, which is aligned with ISO 14001 EMS and applied across all global facilities. Climate considerations are embedded within the company's aspects and impacts registers, which are updated annually and include exposures such as energy use, hazardous weather events, and location-specific environmental conditions, including flooding, wildfire, monsoons, and high-temperature events.

These climate-related risks are assessed, documented, and tracked through Incora's global EHS digital platform, which standardizes risk assessments across sites and links identified risks to controls, actions, audits, and performance dashboards.

The risk identification process begins at the global level, where the EHS team develops a standardized set of potential EHS risks, including climate-related risks. These risks are reviewed with individual site managers to ensure regional relevance and identify localized hazards. Collaboration among Corporate Governance functions helps identify evolving regulatory risks and opportunities. Incora is also implementing a global EHS legal-compliance platform that provides up-to-date environmental, climate, and health-and-safety requirements and forecasts. This platform, supported by an external provider, is intended to generate site-specific legal registers, track regulatory changes, and link compliance obligations directly to Incora's aspects, risks, and hazards registers, with outputs feeding into dashboards and management reports.

Business continuity incident trends further inform climate-related risk identification. Incora's Business Continuity Incident Management process documents incidents related to extreme weather, utility failures, or facility disruptions, providing operational insights into climate-related exposures.

Key inputs into risk identification include the expertise of EHS practitioners, supply chain and facility-specific considerations, location-specific environmental conditions, and evolving regulatory requirements.

## 4.2 Processes for Assessing and Prioritizing Risks

For each facility-specific aspects and impacts register, Incora applies a structured evaluation methodology using criteria scored on a scale of 1 to 5. These include the likelihood of legislative breach, stakeholder interest, likelihood of occurrence, severity, and detection. Combined, these criteria generate a quantitative risk score that determines the significance of each risk. The scoring approach considers both immediate and longer-term likelihood, as reflected in the likelihood and severity ratings.

The EHS team collaborates with regional managers to assign scores based on environmental expertise and localized operational knowledge. Risk scores are used to categorize

risks as high, medium, or low, which in turn determines the appropriate risk management response, including enhanced controls, increased monitoring, or additional auditing. Climate-related issues (for example, air-quality incidents, flooding risks, or climate-related regulatory changes) are evaluated using the same scoring criteria as other EHS risks, which enables climate-related risks to be compared with and integrated into broader risk portfolios.

Incora acknowledges that its current risk assessment processes do not yet quantify risks in financial terms. Strengthening the connection between risk assessments and financial planning is a priority for future development.

## *4.3 Processes for Managing and Mitigating Risks*

Incora manages climate-related risks through its integrated EHS management system, which defines controls and monitoring mechanisms for each identified risk. Risk scores guide management's response, including implementation of new controls, increased audit frequency, or development of business cases for resource allocation.

Business continuity processes further support climate-related risk management by establishing a structured response framework for operational disruptions, including those caused by climate-related events. Under the EHS Incident Management procedure, management assesses incidents, determines whether they meet business continuity thresholds, notifies stakeholders, evaluates customer impacts, secures insurance or financial approvals, and coordinates support from external service providers.

Risk management activities are reviewed annually through the Executive Management Review, chaired by the CEO, which evaluates the effectiveness of controls, changes in environmental context, and the adequacy of the risk management system, ensuring integration of climate considerations into organizational decision-making.

# 5. Metrics and Targets

## 5.1 Metrics

Incora is in the early stages of developing climate-related metrics and does not yet use TCFD-recommended quantitative indicators, such as GHG emissions, energy consumption, or other environmental performance metrics, to assess or manage climate-related risks and opportunities. Environmental activities are monitored internally through the ISO 14001-certified EMS and the annual management review process, which evaluates progress against environmental objectives and informs future planning.

Incora does not yet report Scope 1, Scope 2, or Scope 3 GHG emissions. However, the company has implemented several initiatives that contribute to climate awareness and energy efficiency, including installation of solar panels at select facilities and ongoing evaluation of additional renewable energy and energy reduction opportunities.

## 5.2 Targets

Incora is working to establish climate-related targets to guide the assessment or management of climate risks and opportunities. As governance structures and climate-related metrics mature, Incora plans to revisit the feasibility of establishing climate-related targets in future reporting periods.